

Senate Engrossed

FILED

**JANICE K. BREWER
SECRETARY OF STATE**

State of Arizona
Senate
Forty-sixth Legislature
Second Regular Session
2004

CHAPTER 214

SENATE BILL 1003

AN ACT

AMENDING SECTION 43-1023, ARIZONA REVISED STATUTES; RELATING TO INDIVIDUAL
INCOME TAX EXEMPTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 43-1023, Arizona Revised Statutes, is amended to
3 read:

4 43-1023. Exemptions for blind persons, persons over sixty-five
5 years of age and dependents

6 A. A taxpayer is allowed an exemption of one thousand five hundred
7 dollars:

8 1. For a taxpayer who is blind or if either the taxpayer's central
9 visual acuity does not exceed 20/200 in the better eye with correcting lenses
10 or the taxpayer's visual acuity is greater than 20/200 but is accompanied by
11 a limitation in the fields of vision such that the widest diameter of the
12 visual field subtends an angle no greater than twenty degrees.

13 2. For the taxpayer's spouse if a separate return is made by the
14 taxpayer, if the spouse is blind, as defined in paragraph 1 of this
15 subsection, has no Arizona adjusted gross income for the calendar year in
16 which the taxable year of the taxpayer begins and is not the dependent of
17 another taxpayer. For the purposes of this paragraph, the determination of
18 whether the spouse is blind shall be made at the close of the taxable year
19 of the taxpayer. If the spouse dies during such taxable year, the
20 determination shall be made as of the time of the spouse's death.

21 B. A taxpayer is allowed an exemption of two thousand three hundred
22 dollars for:

23 1. Each dependent of the taxpayer, as defined in section 43-1001, and
24 subject to the qualifications prescribed by section 151(c) of the internal
25 revenue code.

26 2. Each person age sixty-five or older regardless of the person's
27 relationship to the taxpayer:

28 (a) If the taxpayer pays more than one-fourth of the total cost of
29 maintaining such person in a nursing care institution or residential care
30 institution licensed pursuant to title 36, chapter 4, or an assisted living
31 facility provider of a type certified pursuant to title 11, chapter 2,
32 article 7, if such payments exceed eight hundred dollars in the taxable year.

33 (b) If the taxpayer otherwise makes payments exceeding eight hundred
34 dollars in the taxable year for home health care or other types of medical
35 care.

36 3. FOR TAXABLE YEARS BEGINNING FROM AND AFTER DECEMBER 31, 2003, EACH
37 BIRTH FOR WHICH A CERTIFICATE OF BIRTH RESULTING IN STILLBIRTH HAS BEEN
38 ISSUED PURSUANT TO SECTION 36-329.01 IF THE CHILD OTHERWISE WOULD HAVE BEEN
39 A MEMBER OF THE TAXPAYER'S HOUSEHOLD. THE TAXPAYER MAY ONLY CLAIM THE
40 EXEMPTION UNDER THIS PARAGRAPH IN THE TAXABLE YEAR IN WHICH THE STILLBIRTH
41 OCCURRED.

42 C. For taxable years beginning from and after December 31, 1998, a
43 resident taxpayer is allowed an exemption of ten thousand dollars for each
44 parent or ancestor of a parent of the taxpayer, who is age sixty-five or
45 older, who requires assistance with activities of daily living and who lives

1 in the taxpayer's principal residence for the entire taxable year, if the
2 taxpayer pays more than one-half of the person's total support and
3 maintenance costs. An exemption under this subsection is in lieu of an
4 exemption under subsection B of this section for the same person.

5 D. A taxpayer shall not take more than one exemption for the same
6 person under either subsection B or C of this section.

7 E. A taxpayer is allowed an exemption of two thousand one hundred
8 dollars:

9 1. If the taxpayer has attained the age of sixty-five before the close
10 of the taxable year filing a separate or joint return and the taxpayer is not
11 claimed as a dependent by another taxpayer.

12 2. For the taxpayer's spouse if the spouse has attained the age of
13 sixty-five before the close of the taxable year, a joint return is filed and
14 the spouse is not a dependent of another taxpayer.

15 Sec. 2. Retroactivity

16 This act applies retroactively to taxable years beginning from and
17 after December 31, 2003.

APPROVED BY THE GOVERNOR MAY 10, 2004.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 10, 2004.